

# 1991 Federal Transportation Bill



A bill that makes  
sweeping changes to  
Montana's highway  
program.

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1992



National Highway System

Perhaps the most dramatic change resulting from the new bill is the restructuring of the Federal-aid highway systems. It recognizes the nation's interstate highway system is essentially complete and sets new federal policy goals for the nation's transportation system.

For the past several decades, federal-aid funding has been allocated to the interstate, primary, secondary and urban systems and the systems and their corresponding funding programs were administered through fairly rigid federal regulations. The new program eliminates all of these familiar systems except the interstate. The current interstate system will be merged with a relatively small number of roads from the primary system to create the new National Highway System or NHS. This "super-system" is expected to be the federal government's highest priority in the coming decades.

The bill provides that a final NHS has to be designated by the fall of 1995. Until then, all of Montana's principal arterial routes (shown on the map at the top of the facing page) will be eligible for this category of funding.

From everything we've seen and heard, the future (permanent) NHS in Montana will consist of the interstate system and only about 30 percent of the primary system routes. It's expected there'll be some discretion, but a realistic estimate of the future NHS suggests the smaller system shown on the map at the bottom of the facing page.

Other Roads

Federal support for roads not on the NHS—the remainder of the primary system, as well as all of the secondary and most urban routes—will come from what appears to be a very flexible block grant pro-

gram. Distribution of these funds will probably be determined through state-defined choices, since provisions of this flexible "Surface Transportation Program" seem to give states the choice of custom-tailoring a large share of their highway program.

Over the past three years, Montana and other rural western states fought for, and won, important provisions in the new bill. With an improved share of federal funding and increased flexibility, Montana must now reconsider it's program and priorities to determine the kind of future transportation system we can afford and we must begin the work necessary to build that system.

Over the next 10 years there'll be \$5 billion in construction needs on Montana's highways and bridges. On the former primary system alone, these needs include over 1,000 miles of WWII-era highways and nearly 500 obsolete timber bridges. At best, the federal program will address no more than a third of these needs. Though the federal-aid program is essential, it is only a part of the highway funding partnership. The other major component is our state-funded highway program.

Montana's state-funded highway program makes federal-aid highway dollars go further in addressing the state's highway needs. Not only can the state accomplish cost-effective betterments not eligible for federal funding, the state-funded program also allows Montana to take advantage of a provision in the new law and get the best possible match of federal-aid dollars.

To take advantage of this provision, it's essential Montana continues its commitment to the state-funded program.

Interim NHS

- Currently NHS-Eligible Routes  
Interstate and Principal Arterials
- Other Former Primary System Routes  
Not currently NHS-Eligible

Likely Future NHS

- Likely Future NHS-Eligible Routes  
(Based on federal maps)







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On December 18, 1991, President Bush signed the 1991 Federal transportation bill into law. His signature authorizes a program that results from years of intense lobbying and debate—a bill that makes sweeping changes to Montana's highway program.

While the Montana Department of Transportation is still analyzing the new law, some consequences of the act are already clear.

## Funding

Though initial enthusiasm over the bill's funding has dampened in light of federal budget ceiling realities, federal-aid highway construction in Montana will increase modestly over the six years of the new program. And given the no-growth or even negative growth which would have resulted from some of the other proposed legislation, Montana has clearly won some ground.

At this time, best available information indicates Montana will have about <sup>155</sup>\$135 million in federal-aid highway funds for 1992, the first year of the program. This is <sup>30</sup>\$10 million more than the state received in 1991.

To put this amount into perspective, <sup>30</sup>\$10 million is enough to completely reconstruct about <sup>45</sup>fifteen miles of typical rural Montana two lane road.

In addition, over the six year life of the program, Montana will receive nearly \$20 million for work on four Montana interchanges and the state's federal lands will benefit through significant increases in appropriations for Indian reservation roads and

other federal lands programs.

MDT has laid the necessary groundwork to take advantage of the new bill and will resume full contract lettings in February, 1992.

The new act, which sets the direction for the federal program throughout this decade, slightly increases Montana's share of federal transportation program

funds. The increased share, while an important precedent, will have to be defended in future reauthorization debates, especially in light of the extensively restructured program.

## Highlights

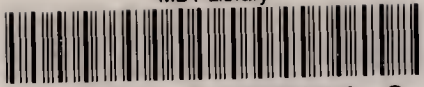
- ☐ The bill authorizes a six year program.
- ☐ Montana's federal-aid highway program will moderately increase.
- ☐ Additional federal funds are granted to four Montana interchanges: North 19th in Bozeman, Belgrade, Shiloh Road in Billings and Butler Creek in Missoula.
- ☐ The primary, secondary and urban highway systems will cease to exist. These systems will be replaced with a National Highway System and a flexible Surface Transportation Program.
- ☐ Montana must continue its commitment to the state-funded program in order to maximize the increased federal funding.
- ☐ The transit provisions of this bill increase federal funding available for transit and slightly change the planning and state matching fund requirements.

## State Matching Fund Requirements

The bill makes adjustments to state matching fund requirements, but the amount of state money Montana needs to match each federal-aid dollar did not change much on average. And, a provision in the bill that allows Montana to get the best possible state match ratio also mandates that Montana must continue its commitment to a state-funded construction program.

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